Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for the third quater of the fiscal year ending March 31, 2014(from April 2013 to March 2014). This summary was prepared originally in Japanese in accordance with generally accepted accounting principles in Japan (Japanese GAAP). If there are discrepancies between the English translation and the original document in Japanese, the Japanese version will take precedence.

kabu.com Securities Co., Ltd.

January 24, 2014

Non-Consolidated Financial Summary under Japanese GAAP
For the Nine Months from April 2013 to December2013 of the Fiscal Year Ending March 31, 2014

Company name: kabu.com Securities Co., Ltd. URL: http://kabu.com
Listing: 1st section of the Tokyo Stock Exchange
Code number: 8703
Representative: Masakatsu Saito, CEO
Contact: Takeshi Amemiya, CFO E-mail: ir@kabu.com

1.Financial summary (April 1, 2013 to December 31, 2013)

(1)Operating results (%：change year-on-year)

	Operating revenues		Net operating revenues		Operating income		Ordinary income		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Nine Months ended December 31,2013	18,066	114.0	16,395	131.9	9,007	422.1	9,098	402.3	5,159	347.2
Nine Months ended December 31,2012	8,443	(10.2)	7,071	(12.6)	1,725	(22.9)	1,811	(22.7)	1,153	3.0

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Nine Months ended December 31,2013	29.30	-	17.8
Nine Months ended December 31,2012	6.55	-	4.7

(2)Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
December 31, 2013	737,385	41,400	5.6	460.7
March 31, 2013	573,306	35,937	6.3	478.0

2.Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2013	-	0.00	-	8.00	8.00
Fiscal year ending March 2014	-	0.00	-	(forecast) 18.00	(forecast) 18.00

3.Forecast for the Business Results of Full Fiscal Year (April 1, 2013 to March 31, 2014)

The Company’s principal business is acting as a broker in transactions in financial instruments, mainly securities. Since this business is strongly influenced by conditions in equity and other financial markets, forecasting future performance is extremely difficult. Accordingly the Company does not disclose forecasts of its performance. In place of such forecasts, the Company discloses its quarterly financial results as quickly as possible. The Company also provides monthly information on fees and commissions, which account for a high percentage of operating revenues, the number of customer accounts, equity trading value, and other operating statistics that have a major impact on the Company’s performance.

(1)Non-Consolidated Balance Sheets

(Unit : Millions of Yen)

	As of March 31, 2013	As of December 31, 2013
Assets		
Current Assets		
Cash and bank deposits	55,041	36,836
Cash held in trust	284,488	434,452
Margin account assets	188,971	203,918
Loans receivable from customers	142,820	185,891
Cash deposited as collateral for securities borrowed	46,151	18,027
Advances paid	152	93
Amount paid	975	701
Short term guarantee deposits	34,027	47,586
Prepaid expenses	195	259
Accrued income	1,237	1,569
Deferred tax assets	-	116
Other	262	738
Total current assets	565,352	726,272
Fixed Assets		
Tangible fixed assets	761	849
Intangible fixed assets	2,236	2,590
Investment and others	4,956	7,672
Investment securities	4,199	6,903
Long term guarantee deposits	362	380
Long-term advances paid	1,566	1,316
Other	316	301
Allowance for doubtful accounts	(1,488)	(1,230)
Total fixed assets	7,954	11,112
Total Assets	573,306	737,385

(Unit : Millions of Yen)

	As of March 31, 2013	As of December 31, 2013
Liabilities		
Current liabilities		
Margin account liabilities	124,921	67,163
Loans from securities finance companies	64,458	31,115
Proceeds of securities lent on customers' account	60,463	36,048
Payables on collateralized securities transactions	30,976	27,779
Deposits received	152,651	270,979
Guarantee money received	154,500	227,560
Short-term borrowings	17,000	73,000
Short-term loans payable to subsidiaries and affiliate	33,000	-
Accounts payable	450	511
Accrued expenses	575	655
Accrued income taxes	882	3,021
Deferred tax liabilities	79	-
Reserve for bonuses	-	35
Reserve for directors' bonuses	-	68
Other	701	1,990
Total current liabilities	515,737	672,766
Long-term liabilities		
Long-term borrowings	13,100	13,100
Long-term loans payable to subsidiaries and affiliate	6,900	6,900
Deferred tax liabilities	673	1,819
Other	10	-
Total long-term liabilities	20,684	21,819
Statutory reserves		
Reserve for financial product transaction liabilities	948	1,398
Total statutory reserves	948	1,398
Total liabilities	537,369	695,984
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	14,412	18,163
Total shareholders' equity	33,522	37,273
Valuation and translation adjustments		
Net unrealized gain on investment securities	2,414	4,127
Total valuation and translation adjustments	2,414	4,127
Total net assets	35,937	41,400
Total liabilities and net assets	573,306	737,385

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	Nine months of fiscal yea ended March 2013 (April 1 to December 31, 2012)	Nine months of fiscal yea ending March 2014 (April 1 to December 31, 2013)
Operating revenues		
Commissions	4,624	10,660
Brokerage commissions	3,542	9,069
Fees for offering, secondary distribution and solicitatio for selling and other services for professional investor	121	282
Other	959	1,307
Net gain on trading	53	404
Financial income	3,765	7,001
Total operating revenues	8,443	18,066
Financial expenses	1,371	1,670
Net operating revenues	7,071	16,395
Selling, general and administrative expenses		
Transaction related expenses	2,347	3,571
Employment cost	660	898
Facilities and rentals	931	1,086
Outsourcing and office supplies	445	679
Depreciation and amortization	745	811
Duties and taxes other than income taxes	106	155
Provision of allowance for doubtful accounts	-	33
Other	110	151
Total selling, general and administrative expenses	5,346	7,388
Operating income	1,725	9,007
Non-operating income	210	113
Non-operating expenses	123	22
Ordinary income	1,811	9,098
Special profits		
Reversal of reserve for financial product transaction	35	-
Total special profits	35	-
Special losses		
Valuation loss on investment securities	0	-
Provision of reserve for financial product transaction lia	-	450
Other	-	21
Total special losses	0	471
Income before income taxes	1,846	8,627
Income taxes - current	610	3,466
Income taxes - deferred	81	1
Income taxes	692	3,467
Net income	1,153	5,159

(3)Non-Consolidated Statement of Income by Quarter (Quarterly transition)

(Unit : Millions of Yen)

	1Q of FY 2013	2Q of FY 2013	3Q of FY 2013	4Q of FY 2013	1Q of FY 2014	2Q of FY 2014	3Q of FY 2014
Operating revenues							
Commissions	1,499	1,348	1,775	3,182	4,654	2,967	3,037
Brokerage commissions	1,143	1,031	1,367	2,668	4,025	2,520	2,523
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	28	45	47	84	138	69	74
Other	327	271	361	429	490	377	439
Net gain on trading	17	11	24	106	60	232	111
Financial income	1,354	1,092	1,317	1,401	2,447	2,059	2,494
Total operating revenues	2,872	2,452	3,117	4,689	7,162	5,259	5,644
Financial expenses	548	303	519	288	691	342	636
Net operating revenues	2,324	2,149	2,598	4,400	6,471	4,916	5,007
Selling, general and administrative expenses							
Transaction related expenses	794	774	778	1,110	1,376	1,159	1,035
Employment cost	221	222	217	260	300	305	292
Facilities and rentals	289	312	329	357	348	365	372
Outsourcing and office supplies	159	155	130	170	210	246	221
Depreciation and amortization	240	244	259	281	266	273	272
Duties and taxes other than income taxes	49	30	25	27	67	34	53
Other	38	36	36	34	111	41	31
Total selling, general and administrative expenses	1,792	1,776	1,777	2,242	2,681	2,426	2,280
Operating income	531	373	820	2,157	3,789	2,490	2,727
Non-operating income	58	62	88	74	40	34	39
Non-operating expenses	0	64	58	92	11	8	2
Ordinary income	589	370	851	2,139	3,818	2,516	2,763
Special profits							
Reversal of reserve for financial product transactions	34	2	-	-	-	-	-
Total special profits	34	2	-	-	-	-	-
Special losses							
Valuation loss on investment securities	-	-	0	-	-	-	-
Provision of reserve for financial product transaction liabilities	-	-	1	202	194	126	129
Other	-	-	-	-	-	-	21
Total special losses	-	-	2	202	194	126	150
Income before income taxes	623	373	848	1,937	3,624	2,390	2,613
Income taxes - current	206	112	291	424	1,467	1,055	943
Income taxes - deferred	15	32	34	375	(6)	(92)	100
Net income	402	228	522	1,137	2,163	1,427	1,568

(4)Monthly Business Data

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Number of customer accounts *1 (at month-end)	834,439	838,184	842,585	847,049	850,922	855,298
Number of new customer accounts (monthly)	4,963	4,088	4,710	4,831	4,189	4,679
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	55,525	56,058	56,560	56,945	57,199	57,455
Number of active accounts *2	427,775	429,346	431,935	432,984	434,266	435,243
Number of margin customer accounts *1 (at month-end)	93,541	94,286	95,034	95,735	96,380	97,166
Number of forward and option customer accounts *1 (at month-end)	40,751	40,973	41,265	41,680	41,952	42,250
Number of OTC FX customer accounts *1 (at month-end)	55,512	56,337	57,284	58,133	58,798	59,594
Average daily number of executed equity trades *3	98,431	75,411	96,546	93,659	93,079	106,859
Average value of equity trading (thousands of yen)	1,174	1,035	1,066	1,021	1,070	1,121
Monthly trading value of OTC FX (100 millions of yen)	51,488	44,712	33,485	30,021	31,265	34,435
Monthly trading value of Exchange FX*4 (100 millions of yen)	2,454	1,439	1,591	1,104	1,221	1,996
Amount of customer assets *5 (at month-end) (millions of yen)	1,638,637	1,597,200	1,696,613	1,698,625	1,745,818	1,776,189
Margin trading balance *6 (at month-end) (millions of yen)	202,014	194,991	225,113	209,633	204,132	221,939
Number of automatic debit accounts *1 (at month-end)	406,398	407,181	408,038	408,799	409,525	410,299

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Number of customer accounts *1 (at month-end)	797,354	803,531	810,069	816,890	825,151	829,785
Number of new customer accounts (monthly)	5,949	6,468	6,855	7,150	8,571	4,942
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	50,106	51,303	52,816	53,687	54,644	55,111
Number of active accounts *2	-	-	-	419,042	422,996	426,626
Number of margin customer accounts *1 (at month-end)	86,242	87,461	89,096	90,381	91,734	92,615
Number of forward and option customer accounts *1 (at month-end)	38,236	38,592	38,970	39,404	39,958	40,388
Number of OTC FX customer accounts *1 (at month-end)	46,824	48,460	49,877	51,650	53,408	54,527
Average daily number of executed equity trades *3	87,228	90,794	101,197	125,732	148,213	97,574
Average value of equity trading (thousands of yen)	979	1,042	1,026	1,157	1,308	1,176
Monthly trading value of OTC FX (100 millions of yen)	39,960	61,662	40,680	114,109	48,938	64,164
Monthly trading value of Exchange FX*4 (100 millions of yen)	4,789	3,727	3,222	5,262	3,822	3,081
Amount of customer assets *5 (at month-end) (millions of yen)	1,336,930	1,399,071	1,472,046	1,663,329	1,680,169	1,596,338
Margin trading balance *6 (at month-end) (millions of yen)	130,328	155,677	203,283	188,274	208,154	193,416
Number of automatic debit accounts *1 (at month-end)	-	-	401,083	402,393	404,171	405,489

*1 : The number of accounts includes corporate accounts.
*2 : The number of accounts which hold more than 0 yen.
*3 : The number of trades includes partially executed trades.
*4 : Exchange FX includes OSE-FX(FX traded in Osaka Securitie
Exchange) and Click365(FX traded in Tokyo Financial Exchange
*5 : Amount of customer assets is the value on a market price basis at month-end.
*6 : Margin trading balance is the value on a handover basis at month-end.